



J. TYLER McCAULEY
AUDITOR-CONTROLLER

COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

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March 16, 2007

To: Each Supervisor

From: J. Tyler McCauley *JTM*
Auditor-Controller

Subject: **NOTICE OF INTENT TO EXTEND ITSSMA MASTER AGREEMENT
WORK ORDERS FOR CONTINUED DEVELOPMENT AND
MAINTENANCE FOR THE AUDITOR-CONTROLLER'S COMMUNITY
REDEVELOPMENT AGENCY (CRA) SYSTEM**

This is to advise you of our intent to request the Internal Services Department (ISD) to execute an amendment to Work Orders with Pyramid Consulting and International Advantage Corporation (IAC) for consultant services for support of the Auditor-Controller's Community Redevelopment Agency (CRA) project. This request will amend and extend Work Orders (N10-0175, N10-0153, N100154 and N01-0253) that expire on March 30, 2007 and increase the total amount of the combined Work Orders by \$345,702. All of the aforementioned Work Orders are expected to exceed \$300,000. In accordance with ITSSMA Guidelines, prior notice to your Board is required for projects that exceed \$300,000.

BACKGROUND

The Auditor-Controller is enhancing the functionality of its existing CRA application. The application tracks property value increases due to redevelopment of blighted areas within the County, calculates the amount of property taxes due each CRA agency, and determines the tax revenue loss for each affected taxing entity.

The original intent of the original Work Orders was to cover the development effort through final implementation. However, recent staff attrition, both on consulting firms as well as on County project staff, has resulted in the extension of the final implementation date. The savings incurred from the County project staff are sufficient to pay for these Work Order increases.

AMENDED SCOPE OF WORK

The consultants will continue to work with the Auditor's and ISD's technical staff in performing additional development and implementation activities including acceptance testing and production migration.

The consultants will also continue to interface with the Auditor's and ISD's Project Managers in communicating status and aid in identifying, defining and resolving the complex technical issues associated with the project. Furthermore, the consultants will continue to interact and mentor the County staff assigned to the project on technical development and database administration issues.

In addition, amending the Work Orders will allow the consultants to support further development efforts to accommodate year-end and beginning fiscal year activities for the Tax Rolls and automate workflows.

JUSTIFICATION

The CRA Accounting System is a vital component of the Auditor-Controller's Property Tax systems. It tracks incoming and outgoing funds to/from Community Redevelopment Agencies. The project is a key component of the Auditor-Controller's Business Automation Plan (BAP) for the upcoming fiscal year. Currently there is limited qualified County staff available to perform the amount of development tasks on the project. As a result, ITSSMA contractors are used to supplement County staff.

The completion of this project will facilitate the Auditor-Controller's ability to track the cash flow to and from the CRA more accurately.

FISCAL IMPACT

The new Work Orders will be amended to add five months to the current Work Order terms with a total increase of \$345,702. The hourly rates will remain the same during the extended term. Funding for the Work Orders is included in the Auditor-Controller's FY 2006-07 operating budget. The maximum total project-to-date expenditure for the four (4) Work Orders is \$1,511,697. The status of the Work Orders is:

1. Work order N10-0175 will be extended to September 30, 2007 and will be increased by from \$299,999 to \$358,447. This represents an increase of \$58,448 with the current expenditures against this Work Order being approximately \$193,861.
2. Work order N10-0153 will be extended to September 30, 2007 and will be increased by from \$299,999 to \$443,838. This represents an increase of \$143,839 with the current expenditures against this Work Order being approximately \$291,525.
3. Work order N10-0154 will be extended to September 30, 2007 and will be increased by from \$299,999 to \$387,354. This represents an increase of \$87,355 with the current expenditures against this Work Order being approximately \$251,430.

4. Work order N01-0253 will be extended to September 30, 2007 and will be increased by from \$266,000 to \$322,058. This represents an increase of \$56,058 with the current expenditures against this Work Order being approximately \$219,948.

Consistent with the ITSSMA policies and procedures, we are informing your Board of our intention to amend these Work Orders. In two weeks time, we will instruct ISD to proceed and execute the amendments.

If you have any questions or need additional information, please have your staff contact Terri Sebastian, Section Manager, Property Tax Systems, Internal Services Department, at (562) 940-3016, or Glenn Shaw, Systems Division Chief, Auditor-Controller at (213) 974-0381.

JTM:WW:GS:NL

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Director, Internal Services Department

NOTED AND APPROVED:



Jon W. Fullinwider
Chief Information Officer

B-15-07
Date